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WESTERN HEMISPHERIC AFFAIRS DIPL POSTS

UNCLAS SECTION 01 OF 03 MANAGUA 001318

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DEPT FOR WHA/CEN  
DEPT FOR INR/IAA  
DEPT FOR PRM RMACKLER  
STATE FOR USOAS  
STATE PASS TO USAID/LAC  
STATE PASS TO MCC

E.O. 12958: N/A

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SUBJECT: NICARAGUA - FSLN SOCIAL PROGRAMS POLITICIZED AND FAILING

REF: 2009 MANAGUA 1128 - NICARAGUA'S ECONOMIC DECLINE  
2009 MANAGUA 859 - REGIONAL ELECTIONS  
2009 MANAGUA 853 - FIRINGS AT THE FAMILY MINISTRY  
2009 MANAGUA 84 - ON THE EVE OF RAAN ELECTIONS  
2008 MANAGUA 1357 - DOL CHILD LABOR PROGRAM HIJACKED

11. (SBU) SUMMARY: As the third year of President Ortega's five-year terms ends, many of his party's much-heralded social welfare programs to fight child labor, hunger and improve education are failing to live up to GON rhetoric. First Lady Rosario Murillo's auspicious Programa Amor ("Program of Love") to end child labor in the streets of Managua [after more than two years] offers no concrete evidence that its objectives have been reached (see Reftel C and E). The GON flagship program to reduce hunger in the country, Hambre Cero ("Zero Hunger"), is reportedly unable to "lift its head out of water" and only offers assistance to loyal party members and during elections (see Reftel D). Even education curriculum reforms have been politicized. These programs' failures to improve conditions in the country are emblematic of the partisan management of the country's social welfare system. END SUMMARY

PROGRAMA AMOR IN THE NEWS FOR THE WRONG REASONS

12. (U) First Lady Rosario Murillo's Programa Amor ("Program of Love"), inaugurated in 2007, was designed to reintegrate abandoned children back into society through educational and social projects focused on extended family networks. Recently, the La Prensa newspaper (national daily, right-of-center) featured two articles critical of Murillo's social program which was heralded by the GON as the best solution to removing abandoned, mistreated children from the streets and tending to their needs more effectively. To date, there is no concrete evidence that the general objectives set forth for Programa Amor have been achieved; moreover, the NGOs and human rights organizations interviewed by La Prensa declared that Programa Amor was ill-conceived and not allotted the necessary resources for success, despite Murillo's direct involvement.

13. (SBU) Reports from sources inside the Ministry of Family (MiFamilia), which is the institution responsible for carrying out Programa Amor, state that the GON's plan was to remove children

from government-run shelters and send them back to their families through the "family recourse" initiative. Embassy sources that work in the sector confirmed that the GON currently takes in kids during the day for "education" at their shelters, but sends them "home" in the evening, which frequently results in children seeking shelter at night. The government-run shelters suffered budgetary cutbacks and the elimination of funds as the program progressed. The GON's argument for eliminating these government-run shelters was that the "right" of a child to grow up within a family structure had to be reinstated. However, NGOs argue that if conditions in the home caused a child to be placed in shelters in the first place, eliminating shelters and forcing children to return to abusive conditions would actually be counterproductive.

#### A COMBINATION OF BUDGET CUTS & MISMANAGEMENT HURTS PROGRAMA AMOR

14. (U) According to the GON's own figures, the percentage of the MiFamilia budget destined for assistance services and social protection was 15% in 2009 compared to 44.3% in 2005, during the previous administration. When Programa Amor was announced, it envisioned a national network of social workers who would work with at-risk children to encourage school participation and discourage drop-outs, as well as assist parents to find better employment. Critics point out that the interagency coordination required for

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such an effort does not exist and resources are not allocated despite the GON rhetoric to the contrary. Adelaida Sanchez from the Nicaraguan Center for Human Rights (CENIDH) said that "no resources were assigned, [neither] economic nor human... [and] that there would be an inter-institutional committee (to oversee the program), but when we asked the Social Security Institute (INSS) for an example, they knew nothing..." In August 2009 the GON purged most experienced MiFamilia officials, particularly those in the adoption and child protective services division, replacing them with FSLN militants (see Reftel C). New MiFamilia officials have been generally evasive when discussing Programa Amor with Embassy Consular officials. They defended the Ministry, claiming that it was working hard to make Programa Amor run well, and that La Prensa was spreading false rumors about closed shelters. However, they did confirm that budget cuts (see Reftel A) in social spending had affected the amount of funding that they were able to provide to government-run children shelters.

MAYBE Hambre Cero ONLY WORKS DURING ELECTION YEARS...

15. (SBU) The Hambre Cero ("Zero Hunger") program, one of the key populist/social programs launched by President Ortega in 2007 to alleviate hunger in the country, will spend a mere 9% of its budget this year, according to the latest Ministry of Finance report. In principle, the program strives to help 14,000 rural families each year by providing seeds, farm animals (pigs, chickens, cows) and farming instruments to encourage food security in the country's poorest regions. In practice, critics say the Hambre Cero aid has been given to reward loyalty of FSLN supporters, or worse, to buy votes in the run-up to elections (see Reftel D). Indeed, critics say that the program is partisan to its core - Citizen Power Councils (CPCs), which are FSLN community councils controlled by Murillo, select program participants. Once selected, participants receive a one-time transfer of agricultural inputs (valued between \$US 1,500 and \$US 2,500), but no technical assistance to improve productivity. In short, the Hambre Cero assistance serves to perpetuate rather than break the cycle of rural poverty because it does not train the beneficiaries, but rather gives them a free hand-out.

16. (SBU) By the end of September 2009, a non-election year, Hambre Cero had spent approximately 13.6 million cordobas (\$US 680,000) or 9.7% of its 2009 budget of 140 million cordobas (\$US 7 million). Included in Hambre Cero's budget are \$US 5 million in funding from the Inter-American Development Bank (IADB) as well as funds from Taiwan and ALBA/Venezuela. Despite the current year's under-spending, the GON proposed increasing the 2010 Hambre Cero budget by more than 50% or 88.7 million cordobas (\$US 4.4 million) for a total budget of 228 million cordobas (\$US 11.4 million). Meanwhile the Ministry of Agriculture (MAGFOR), which carries out the Hambre Cero program, would suffer a general reduction of its 2010 budget (see reftel A). The increase in Hambre Cero funding happens to coincide with the 2010 regional elections on the Atlantic Coast (see reftel B) and the run-up to the 2011 national presidential elections.

#### POLITICIZED EDUCATION REFORMS

17. (U) In 2007 the GON sought to reform the country's education sector and eliminated ad hoc fees to attend public schools. This had a positive impact on increasing school enrollment during the first two years of the Ortega Administration - changes that were praised both by national and international NGOs. However, proposed

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reforms to the curriculum now have drawn criticism by these same groups, who complain that the new changes would be political in nature because the Ministry of Education (MinEd) would not involve civil society in the process. MinEd is collaborating only with the Sandinista Youth Movement in its development of the new 10-year education plan. Minister of Education Miguel de Castillo recently told the press that "we do not need to ask for [outside] support, we already have the participation of the citizens [Sandinista Youth Movement] with whom we will construct the 10-year plan." Criticisms of the GON's highly touted illiteracy eradication campaign will be reported SEPTEL.

#### COMMENT

18. (SBU) Given Nicaragua's position as the second poorest country in the Western Hemisphere, minimal investment in GON populist programs such as Programa Amor, Hambre Cero and education reform should make an enormous difference in the lives of all Nicaraguans to eliminate child labor, improve food security in rural areas, and foster greater access to education. Instead, the 2008 municipal election fraud deliberately perpetrated by the FSLN has caused the domino effect of significantly reducing foreign assistance and budgetary support, which in turn has led to major budget cuts to the GON's key social welfare programs. In an environment of scarce resources and political consolidation, these programs have turned into mechanisms for party proselytizing and rewarding political loyalty. In short, the ambitious FSLN social programs are politicized and failing to help all Nicaraguans equally, despite the vociferous rhetoric of the GON public relations campaign run by First Lady Murillo.  
CALLAHAN